

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4044-02  
Bill No.: HB 1256  
Subject: Holidays  
Type: Original  
Date: February 14, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue *	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund *	(Unknown)	(Unknown)	(Unknown)

\* Unknown expected to exceed \$1,000,000.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Other State	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
Federal	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### ASSUMPTION

Officials from the **Missouri Senate**, the **Missouri House of Representatives**, and the **Office of the Governor** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Office of the Secretary of State** (SOS) stated that many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to SOS for Administrative Rules is less than \$1,500. SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

ASSUMPTION (continued)

Officials from the **MODOT and Patrol Employees Retirement System** (MPERS) assumes this proposal would create an additional state holiday and that its offices would be closed for htat holiday. MPERS assumes the cost of an additional holiday closing would be less than \$4,000 per year.

Officials from the **Office of Administration, Division of Personnel** (OA) assume the proposal would provide an additional paid holiday for state employees. Currently state employees receive 12 state holidays per year. Plus, the governor grants the day after Thanksgiving as a state holiday on a regular basis. The cost of one day of work for the state, including salary and benefits, is approximately \$10.5 million.

Although the actual "cost" of the holiday would be absorbed within the budget of most agencies, there remains a very significant cost of paying employees for a day in which no work is performed. OA estimated the cost by determining the cost of the pay period ending 12/15/05, then determining the cost of the benefits paid by the state for the pay period. The salary and benefit costs were then annualized (multiplied by 24 pay periods) and divided by 261 work days, to arrive at a cost of one day.

Estimated total cost of a one day holiday:

	12/30/2005 TOTAL PAY	12/30/2005 TOTAL FRINGE	TOTAL PAY AND FRINGE
Pay Period Pay and Fringe	\$78,334,464	\$36,080,888	\$114,415,352
Annual Number of Pay Periods	24	24	24
Annualized Pay and Fringe	\$1,880,027,136	\$865,941,312	\$2,745,968,448
Work Days per Year	261	261	261
Cost of One Day	\$7,203,169	\$3,317,783	\$10,520,952

ASSUMPTION (continued)

Many state employees are required to work on state holidays, and receive a day of "holiday" compensatory time. It is possible that the employees who process the state payroll would have to work this day, as well, to ensure the payroll is produced in a timely manner. The proposal would have an additional compensatory time cost for employees who work on a holiday, or whose regularly scheduled day off would fall on the holiday. Agencies that have 24/7 operations (Corrections, Mental Health, Public Safety and Social Services' Division of Youth Services) would incur additional compensatory time for employees required to work on the holiday or when the employee's regular day off falls on a holiday.

OA estimated the cost of earned compensatory time for a holiday:

We calculated that 90,000 hours of comp time is earned on a holiday. At an estimated cost of \$12.38 per hour, this equates to \$1,114, 200.

**Oversight** assumes the estimated total cost of a holiday as calculated above includes the cost of all state operations, some of which could absorb an additional holiday without any serious disruption in their operations and some of which would require employees to work overtime or receive compensatory time. Oversight assumes the actual net cost to the state would be unknown but more than \$1,000,000 to the General Revenue Fund. Additional unknown costs would be incurred by Other State Funds and by Federal Funds, and there could be a cost to local governments if those local governments adopted the same holiday schedule as the State of Missouri.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>GENERAL REVENUE FUND</b>			
<u>Cost</u> - Compensatory Time *	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND *</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
*Unknown expected to exceed \$1,000,000.			
<b>OTHER STATE FUNDS</b>			
<u>Cost</u> - Compensatory Time	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<b>FEDERAL FUNDS</b>			
<u>Cost</u> - Compensatory Time	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2007 (10 Mo.)	 FY 2008	 FY 2009
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

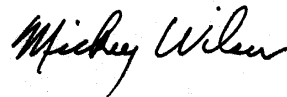
### DESCRIPTION

This proposal would proclaim February 4th each year to be the "Rosa Parks Day" state holiday in Missouri.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Missouri Senate  
Missouri House of Representatives  
Office of the Governor  
Office of the Secretary of State  
Office of Administration  
Division of Personnel  
MODOT and Patrol Employees Retirement System



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Director  
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